

## Message Text

UNCLASSIFIED

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43

ACTION ARA-10

INFO OCT-01 ISO-00 AID-05 IGA-02 ARAE-00 /018 W

----- 057022

P 0121925Z FEB 76

FM AMEMBASSY BRASILIA

TO SECSTATE WASHDC PRIORITY 3896

UNCLAS BRASILIA 1276

E.O. 11652: N/A

SUBJECT: AUDITORS' REQUEST - CONFIRMATION  
FINANCIAL STATUS OF LOANS

REFS: (A) STATE 020877; (B) BRASILIA 0916;  
(C) STATE 027314; (D) MEMO KNOWLAN/BROWN,  
01/18/74; (E) LETTER GLAKAS/KNOWLAN 01/29/74

1. MISSION GREATLY CONCERNED WITH UNPROFESSIONAL  
RESPONSE (REFTEL C) TO BORROWERS REQUEST FOR DIRECT  
CONFIRMATION TO AUDITORS OF LOAN BALANCES AND TERMS.  
REFS (D) AND (E) RECONFIRMED THAT THIS PROPER FUNCTION  
OR SER/FM/LD RATHER THAN USAID SINCE USAID LOAN  
RECORDS ARE MERELY MEMORANDUM RECORDS.

2. SUBSEQUENT TO RECEIPT REFTTEL C, HAVE RECEIVED  
FOLLOWING TELEX FROM FURNAS QUOTE OUR INDEPENDENT  
AUDITORS (MESSRS. ARTHUR ANDERSEN CO.) HAVE NOT  
RECEIVED COMPLETE CONFIRMATION ON THE LOANS THAT  
FURNAS HAS BEEN GRANTED BY AID, ALTHOUGH WE HAVE  
REQUESTED SUCH, TWICE BY LETTER AND THREE TIMES BY  
TELEX.  
THE TELEXES WERE SENT TO AID WASHINGTON FOR ATTENTION  
OF MR. ARTHUR SMITH, CHIEF LOAN DIVISION.  
WE KINDLY REQUEST YOU TO CONFIRM OR TO ASK AID  
WASHINGTON TO REPLY CONFIRMING THE LOAN CONTRACTS IN  
OUR NAME AS OF DECEMBER 31, 1975.  
WE NEED THE FOLLOWING INFORMATION ON THE FOLLOWING  
CONTRACTS:  
512-L-011, 512-L-023, 512-L-026, 512-L-066  
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1) AMOUNT AT 12/31/75 - OUTSTANDING  
2) AMOUNT AT 12/31/75 - NOT YET DRAWN  
3) AMOUNT AT 12/31/75 - ACCRUED INTEREST UNPAID  
PLEASE SEND YOUR CONFIRMATION, OR HAVE AID WASHINGTON  
SEND ITS CONFIRMATION URGENTLY BY TELEX DIRECTLY TO  
OUR AUDITORS, MESSRS. ARTHUR ANDERSEN C CO. TELEX  
NUMBER (021) 2122894 ARAN BR.  
MANY THANKS FOR YOUR HELP.  
FURNAS CENTRAIS ELECTRICAS S. AM UNQUOTE

3. WHILE MISSION COULD, AT THIS LATE DATE, PROVIDE  
INFORMATION REQUESTED WITH REASONABLE ASSURANCE OF  
ACCURACY, WE DO NOT BELIEVE IT ADVISABLE TO DISGRESS  
FRGM ESTABLISHED CHANNEL FOR PROVISION OF REQUESTED  
INFORMATION. THIS EVEN MORE APPLICABLE THEN NORMAL  
VIEW OF USAID/B PHASE OUT POSITION. THEREFORE REQUEST  
AID/W RESPOND IMMEDIATELY.

4. FYI MISSION PERSONNEL ARE CONTINUOUSLY ATTEMPTING  
(BOTH AS AID OFFICERS AND AS INDIVIDUALS) TO ASSIST IN  
UPGRADING BRAZILIAN INDEPENDENT AUDITORS' STANDARDS  
AS WELL AS BORROWERS' RECOGNITION OF DESIRABILITY OF  
SAME. WE BELIEVE USG RESPONSE SUCH AS REFTEL C AT  
BEST EXTREMELY COUNTERPRODUCTIVE AND AT WORST INSULTING.  
CRIMMINS

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NNN

\*\*\* Current Handling Restrictions \*\*\* n/a

\*\*\* Current Classification \*\*\* UNCLASSIFIED

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** AUDITS, DATA, LOANS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 01 FEB 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1976BRASIL01276  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** n/a  
**Errors:** n/a  
**Film Number:** D760054-0251  
**From:** BRASILIA  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1976/newtext/t19760297/aaaagegg.tel  
**Line Count:** 90  
**Locator:** TEXT ON MICROFILM, TEXT ON-LINE  
**Office:** ACTION ARA  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
**Reference:** 76 STATE 20877, 76 BRASILIA 916  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** MartinML  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 16 NOV 2004  
**Review Event:**  
**Review Exemptions:** n/a  
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EO Systematic Review  
04 MAY 2006

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**Review Referrals:** n/a  
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**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** <DBA CORRECTED> gwr 970919  
**Subject:** AUDITORS' REQUEST - CONFIRMATION FINANCIAL STATUS OF LOANS  
**TAGS:** EFIN, BR, US  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006